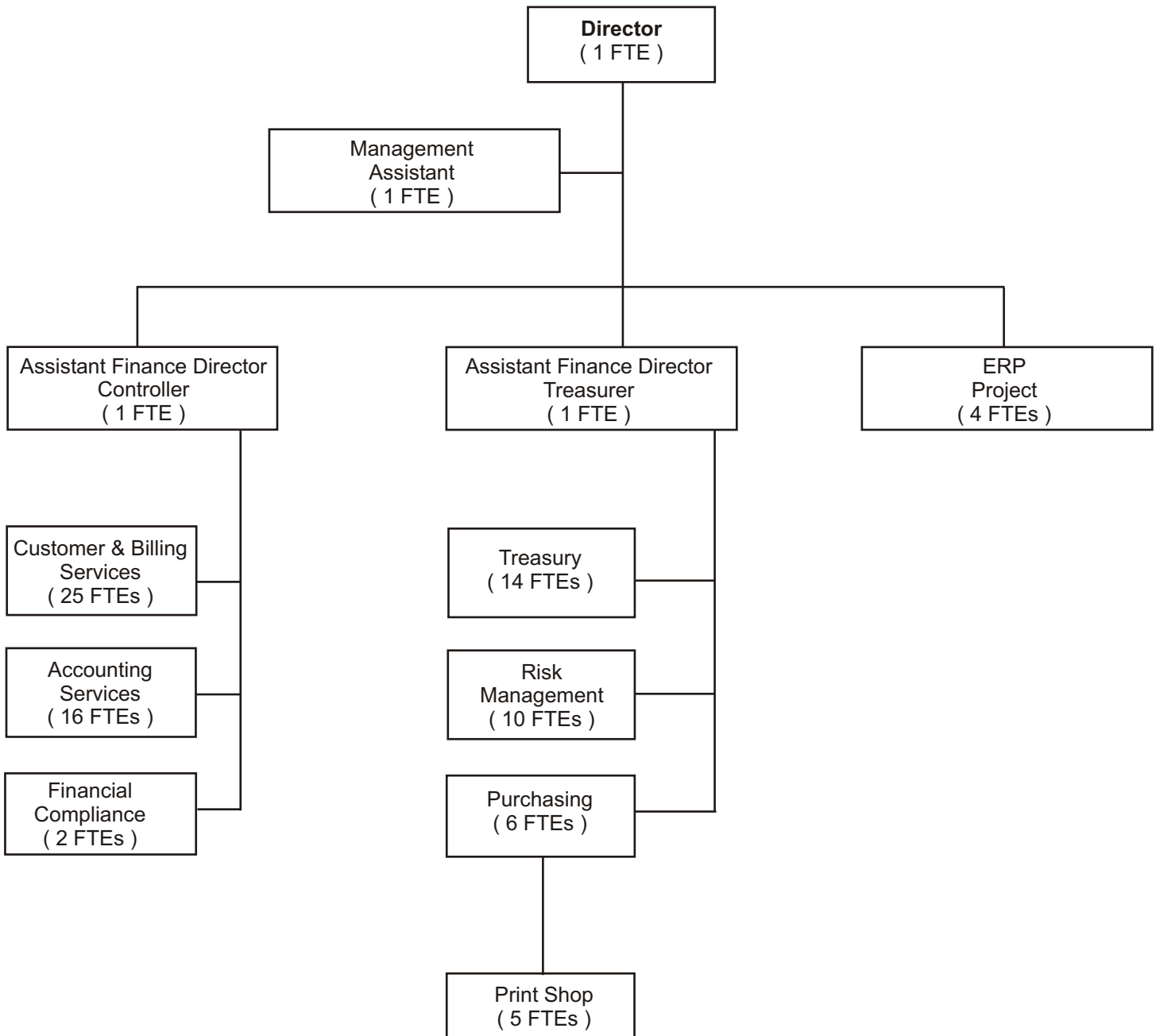




Finance

(86 FTEs)



DEPARTMENT OF FINANCE

Mission: To professionally and prudently enhance the City's financial position.

PROGRAM DESCRIPTION

Office of the Director

\$340,432
4 FTEs

The Finance Department provides financial management, administration, oversight and analysis in support of Council's priorities. The Department is responsible for maintaining financial systems that safeguard City assets, accurately record and report the results of operations and optimize the use of the City's financial assets. In addition, the Finance Department develops and implements policies and procedures designed to ensure the integrity of the City's financial transactions and financial management as part of the City's overall system of internal controls. The Finance Department works with internal and independent external auditors to provide information and resources needed to perform independent reviews of City finances.

The Office of the Director is the primary advisor to the City Manager, City Council and Departments in the areas of financial planning, investments, debt management, financial reporting, purchasing, collections, risk control and risk financing. The Office also provides leadership in the development and implementation of City-wide financial policies.

Accounting

\$968,084
16 FTEs

This division provides two primary functions: accounting operations and financial reporting. The accounting operations function is responsible for accounts payable, accounts receivable, payroll administration and maintenance of the City's financial information system. The financial reporting function is responsible for preparing the annual audited financial report, coordinating the annual audit conducted by external certified public accountants, preparing monthly financial statements, and preparing special reports and analysis.

Billing Services

\$1,388,255
25 FTEs

This division includes billing inquiries, field services and delinquent accounts. Employees in the billing services program respond to customer inquiries, establish new accounts, and authorize water and sewer connections and disconnections. Employees in the field services unit provide connection and disconnection services. Delinquent accounts is responsible for collecting past due bills owed to the City. The Billing Services division is funded through the General Fund and the Water & Sewer Fund.

Financial Compliance

\$108,463
2 FTEs

This program provides financial review of grants received by the City and loans made by the City, to identify compliance issues and assists in the fulfillment of financial requirements. The services performed for grants will include coordination of financial reporting to grantee agencies, and timely drawdowns of grant funds. This program also provides the centralized point of contact and servicing of loans made by the City. In addition, this function ensures that contracts and change orders are properly executed in accordance with state statutes and City codes.

Purchasing

\$501,920
11 FTEs

This division prepares bids specifications and solicits bids for supplies, services, and equipment for all City departments. All bid solicitation and awards are done in compliance with state statutes and also the City's Minority/Women Business Enterprise ordinance. Also included in this program is the sale or transfer of surplus equipment and material. This program also provides duplicating, printing and mail services for the City.

Risk Management

\$924,094
10 FTEs

The function of this division is to protect the City's assets from loss through the identification, control, and financing of various operational and professional lines of risks. This is carried out by a risk control and risk financing function. Risk control encompasses employee health services, safety and loss prevention and claims

administration. Risk financing includes purchase of insurance (with the exception of health insurance), self insurance and review of contracts for transfer of the City's risk.

Treasury

\$1,781,281

14 FTEs

The Treasury division programs include cash, portfolio, and debt management and banking services. The cash management program is responsible for forecasting, collecting all the revenues due the City and monitoring the tax collection contract. This program also issues the business licenses for the City. Portfolio management includes investing the City's idle funds and also monitoring contracts with external money managers. Debt management includes approval, and issuance of all the City's debt instruments. Banking services for the City are also coordinated through this program. A portion of these activities is funded through the Water & Sewer Fund.

ERP (Enterprise Resource Planning)

\$668,406

4 FTEs

The first phase of the ERP project implementation is proposed to begin in FY2004.

RESOURCE ALLOCATION

	Actual FY 2001-02	Adopted FY 2002-03	Estimated FY 2002-03	Adopted FY2003-04	Change
Appropriations					
Personal Services	\$ 4,129,950	\$ 4,224,809	\$ 4,026,980	\$ 3,994,983	-5.44%
Operating	1,962,492	2,216,294	2,347,300	2,175,038	-1.86%
Debt Service	-	-	-	502,914	
Capital	7,060	-	-	8,000	
Total Appropriations	\$ 6,099,502	\$ 6,441,103	\$ 6,374,280	\$ 6,680,935	3.72%
Full Time Equivalents	93	92	91	86	(6)
Revenues					
General Fund					
Discretionary	\$ 4,284,423	\$ 4,234,265	\$ 4,233,286	\$ 4,856,663	14.70%
Program	-	240,338	237,068	257,030	6.95%
General Fund	\$ 4,284,423	\$ 4,474,603	\$ 4,470,354	\$ 5,113,693	14.28%
Water & Sewer Fund	1,722,163	1,887,688	1,822,071	1,567,242	-16.98%
Solid Waste Disposal Fund	92,916	78,812	81,855	-	-100.00%
Total Revenues	\$ 6,099,502	\$ 6,441,103	\$ 6,374,280	\$ 6,680,935	3.72%

BUDGET ISSUES FOR FY2003-04

- The planned implementation of the Financial Accounting module of the ERP System will require the addition of two analysts that will be dedicated to process improvements in accounting, payroll, payables, purchasing and treasury in preparation of the transition to an integrated system with a single point of entry and electronic workflow.
- The Accounting, Treasury and Purchasing Divisions will be working on pre-implementation tasks for ERP and will be attending training sessions and assisting implementation staff in planning for the Financial Accounting Module.
- The transfer of the meter reading function from the CBS Division to the Public Works Department will reduce the available staff for field service operations.
- Several functions are marginally staffed and cannot absorb prolonged employee absences without reductions in the level of service.
- Scale House functions are transferred to the Solid Waste Department for FY2004.

UNFUNDED ITEMS

• Bloomberg Market Information Service	\$11,000
• Third Party Investment Analyst	\$30,000
• Print Shop Supervisor	\$40,000

COMPLETED INITIATIVES FOR FY2002-03

- Reaffirmed AAA bond ratings from Standard & Poor's and FitchIBCA and Aaa from Moody's
 - Continued working with departments to reinforce financial controls
 - Provided financial advice on major economic development projects
 - Documented key departmental routine procedures
 - Completed implementation of Governmental Accounting Standard Board Statement number 34
 - Conducted hearings on back billing for faulty meters
 - Provided training sessions for the payroll leave system
 - Provided new safety training curriculum
 - Rewrote purchasing guide
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DEPARTMENT INITIATIVES FOR FY2003-04

- Evaluation of City's financial policies working in conjunction with Business Practices Issue RFP for ERP System, select vendor and plan implementation
 - Hire ERP implementation staff and begin process improvement and implementation coordination work
 - Continue evaluation of City's financial policies working in conjunction with the Business Practices Task Team
 - Maintain City's credit ratings
 - Prepare for GO Bond Referendum in late 2004
 - Complete Implementation of GASB 34
 - Implement once a week payables cycle
 - Implement mandatory purchasing training
 - Continue to implement improvements in City's risk program
 - Evaluate outsourcing of Employee Health Service
 - Increase number of discoveries for privilege license
 - Increase use of electronic advertising
-

GOALS, OBJECTIVES & STRATEGIES FOR FY2003-04

GOAL: *To strengthen financial accountability throughout the organization.*

OBJECTIVE: To provide timely and accurate reports to the City Manager and the City Council to support decision making and to disclose significant issues effecting the City's current and future financial position.

STRATEGY: To provide quarterly and annual financial reports to the City Manager and Council on a timely basis.

MEASURE:	Actual FY2002	Adopted FY2003	Estimated FY2003	Adopted FY2004
% of reports issued on schedule	75%	100%	80%	100%

GOAL: To make financial information available to decision makers in a timely fashion and to accurately process and record transactions.

OBJECTIVE: To provide timely and accurate financial information by the end of each month.

STRATEGY: To close each accounting period according to the established schedule.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
# of accounting periods closed on time	12	12	12	12

OBJECTIVE: To issue a Comprehensive Annual Financial Report that is in compliance with all statutory and GASB requirements and provides useful discussion and comments concerning the City's financial condition.

STRATEGY: To issue a Comprehensive Annual Financial Report that qualifies for the GFOAs Certificate of Excellence in Financial Reporting.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
Certificate awarded	1	1	1	1

OBJECTIVE: To publish a Popular Financial Report for public distribution.

STRATEGY: To condense the financial highlights of the CAFR and to publish a report that meets the GFOA standards by November 30.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
Completion of report by Due Date	Nov 30	Dec 20	N/A	Nov 30

GOAL: To provide timely and courteous service to customers.

OBJECTIVE: To reduce valid billing complaints by 10%.

STRATEGY: To provide training to billing representatives to handle billing complaints.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
% reduction in complaints	N/A	10%	+10%	20%

GOAL: To maximize the City's cash flow.

OBJECTIVE: To shorten the time lag between City expenditures and reimbursements.

STRATEGY: To implement strategies with City departments to ensure timely drawdowns.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
Avg. mo. \$\$ due from external sources	\$2.2M	\$.5M	\$4.5M	\$.5M

GOAL: *To purchase needed commodities and services in compliance with all applicable requirements in a timely manner and at the best price, and to provide duplication, reproduction and printing services.*

OBJECTIVE: To maintain an average purchasing cycle time for routine purchases of 3 days.

STRATEGY: To develop a more efficient process for the City's purchasing and payment process.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
Avg. cycle time for purchases (days)	3.0	3.0	4.0	3.5

GOAL: *To improve the operational and financial results of the Risk Management function.*

OBJECTIVE: To reduce the number of and dollar amount of claims against the City by 10%.

STRATEGY: To implement the strategies identified in the October 1998 and May 2001 City Council agenda, which includes a greater emphasis on safety programs through out the City and provide timely accident information to departments.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
# and \$\$ of claims open	419 \$3.4M	400 \$3.7M	333 \$3.7M	360 \$3.5M

GOAL: *To provide cost effective liquidity management to the City.*

OBJECTIVE: To maintain the highest credit rating.

STRATEGY: To present information to the rating agencies that illustrate the City's financial, administrative and economics strengths.

MEASURE:	Actual FY 2002	Adopted FY 2003	Estimated FY 2003	Adopted FY 2004
Credit ratings by S&P, Fitch and Moody's	AAA/ AAA/Aaa	AAA/ AAA/Aaa	AAA/ AAA/Aaa	AAA/ AAA/Aaa